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(JCAVANAUGH/KSCHINNERER), ECA/P/C (MKOROUPAS)
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TAGS: [OTIP](#) [ECON](#) [KIPR](#) [PE](#)

SUBJECT: FTA and culture: Peruvian response

¶1. Summary: In July 2004, a group of renowned Peruvian artists and intellectuals, led by congresswoman Elvira de la Puente, created the Peruvian Coalition for Cultural Diversity to defend, promote, and protect Peruvian cultural industries and patrimony. The Coalition sent President Toledo a letter demanding the insertion of a "cultural exemption" in the U.S.-Andean Free Trade Agreement (FTA) text, which would prevent Peruvian cultural products from being considered conventional commercial goods or services. The coalition wants to preserve Peru's cultural diversity in the face of the U.S.-Andean FTA. If these concerns are not taken into consideration, the Coalition can be expected to raise its concerns publicly, possibly beginning a campaign against the FTA. End Summary.

¶2. Background: The Peruvian Coalition follows the guidelines of the International Network for Cultural Diversity (INCD), a worldwide network of artists and cultural groups dedicated to countering the perceived adverse effects of economic globalization on culture. One hundred eighty-seven delegates from 36 countries throughout Latin America, Europe, Africa, and Asia are members of INCD. As pressure grows to include more cultural sectors in free trade agreements, cultural groups around the world are uniting to create a new international instrument to preserve cultural diversity. To support this, the INCD has drafted a "Convention on the Protection of Diversity of Cultural Contents and Artistic Expressions" to provide a legal foundation for government measures that support cultural diversity and encourage governments to use that authority domestically. UNESCO has sent this document to the World Trade Organization (WTO) for its information. The final document will be discussed during the next UNESCO Convention in Paris in October 2005.

¶3. According to the Coalition, cultural products are composed of goods and services with intellectual, artistic and educational contents, and artistic expressions that reflect the identities, experiences and values of a community. Films, music, literature, theater, and other forms of arts are considered "cultural products." The Coalition cites the disproportionate relationship in size, development, and competitiveness between Peruvian and U.S. cultural industries and demands special benefits to guarantee their existence in the local market.

¶4. The Peruvian Coalition supports the following INCD principles:
--Cultural policies must not be subject to international trade agreements;
--Cultural goods and services are not mere economic commodities;
--Cultural diversity must be protected from globalization challenges;
--All nations must preserve the sovereign right to promote and enhance cultural diversity;
--All nations must protect indigenous and national cultural institutions and at the same time, increase international trade of cultural products and other forms of artistic expression; and
--Civil society should be fully engaged in FTA negotiation processes.

¶5. Although the Peruvian cultural and intellectual community is generally in favor of the U.S.-Andean FTA, they agree that cultural industries should be protected. They also believe that cultural products and services should be separated from free and open market systems. Similar groups have been created in other Latin-American countries with Colombia, known for their protection of cultural products, taking the strongest stance on the issue. On November 9, 2004, Convenio Andres Bello, a Colombian institution, the Peruvian National Institute of Culture, the Institute for Peruvian Studies, and the Peruvian Ministry of Education organized a conference in Lima entitled "FTA: Culture, Diversity, and Facts." Peruvian Vice Minister of Foreign Affairs, Alvaro Diaz, and Herman Rey, advisor to the government of Colombia participated in the conference. Diaz indicated that the Peruvian Coalition's concerns had been taken into account and that Peru was negotiating for the insertion of a "cultural exemption" clause in the FTA text.

Daily El Comercio November 7, 2004, edition (center-right influential leading daily, circulation 65,200) published an article supporting the proposal to protect cultural industries from the FTA.

16. Recently, GOP MFA official, Benjamin Chavez, Head Peruvian negotiator for the Andean FTA's Cross-Border Services table, revealed to PAS that he is working with members of the Peruvian Coalition on the "cultural exemption" text for the FTA. This would allow for the establishment of preferential economic policies for cultural industries, including government support for the audiovisual industry (film, television, and music). Mr. Chavez stated that the text being discussed has broader implications than the one approved in the FTA agreement with Chile, which allows the government to implement special economic advantages for Chilean cultural industries that do not fall under the FTA rules and guidelines.

17. The issue of Andean FTA and culture has received increased press coverage recently. Daily El Comercio ran an article on the FTA and potential implications for the Peruvian film industry on February 28. On March 15, 2005, the same newspaper published a similar article, calling the cultural industries of the Andean countries "David" against the U.S., "Goliath".

18. Comment: While the Peruvian Cultural Coalition has not made any public statements in recent months, it appears ready to become vocal and publish commentaries if the FTA does not include the proposed "cultural exemption" text. Embassy Lima will closely monitor the Coalition and its FTA-related initiatives. End comment.

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